



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 3/11/2003

GAIN Report #E23034

European Union

Grain and Feed

Rice Article XXVIII mandate vote postponed 2003

Approved by:

Christine Strossman

U.S. Mission to the European Union, Brussels

Prepared by:

Christine Strossman

Report Highlights:

The EU's Special Committee on Agriculture did not agree on a mandate to open Article XXVIII negotiations to remove the current Margin of Preference system for setting rice import duties.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Brussels USEU [BE2], E2

On March 10, 2003, the EU Council's Special Committee on Agriculture (SCA) again discussed a proposal for a mandate to open Article XXVIII negotiations in the WTO to replace the current Margin of Preference import duty calculation system for rice. As was the case with previous discussions of this issue, the Greek Presidency was not able to achieve a qualified majority in favor of the proposal. Reports indicate that the United Kingdom, Germany, Sweden, Denmark, the Netherlands and Ireland are currently opposed to the proposal and Belgium and France are undecided. Only Italy, Greece, Spain, Portugal and Austria are in favor.

Given the continued opposition to the proposal, the Presidency has decided to postpone further consideration until discussions on the CAP reform proposal for rice are more advanced. For this reason, the proposal is not expected to be discussed by the Agriculture Council on March 17th. While there is no set timeframe for the Member States to revisit the mandate proposal, it is clear that it will be closely linked to the progress of discussions on CAP reform for rice. The Presidency is expecting Member State positions to become more flexible on the mandate proposal when it is put into the context of the reform proposal. Several Member States in favor of the mandate have indicated that they would vote against rice reform if a mandate for Article XXVIII is not given.

In the meantime, the mandate proposal is expected to be discussed by the 133 Committee. Member State positions in the 133 Committee are not expected to be different from those taken in the SCA.

Note: A "qualified majority" in the Council is 62 votes, while a "blocking minority" is 26 votes. Weighting of votes among the member states for qualified majority voting is as follows: Germany, France, Italy and the UK have ten votes, Spain has eight, Belgium, Greece, Netherlands and Portugal have five, Sweden and Austria have four, Finland, Ireland and Denmark have three and Luxembourg has two.